

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

PADRE ENTERPRISES, INC., et al.,

Plaintiffs,

VS.

**HUGH GARY RHEA d/b/a
RMP CROP INSURANCE**

Defendant.

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Case No. 4:11CV674

**MEMORANDUM ADOPTING REPORT AND
RECOMMENDATION OF THE UNITED STATES MAGISTRATE JUDGE**

Came on for consideration the report of the United States Magistrate Judge in this action, this matter having been heretofore referred to the United States Magistrate Judge pursuant to 28 U.S.C. § 636. On June 10, 2014, the report of the Magistrate Judge was entered containing proposed findings of fact and recommendations that Plaintiffs' Motion for Summary Judgment on Plaintiffs' Claims and Defendant's Counterclaims (Dkt. 126) and Defendant's Motion for Summary Judgment (Dkt. 124) be GRANTED in part and DENIED in part.


The court has made a *de novo* review of the parties' objections and is of the opinion that the findings and conclusions of the Magistrate Judge are correct and the objections are without merit as to the ultimate findings of the Magistrate Judge. The court hereby adopts the findings and conclusions of the Magistrate Judge as the findings and conclusions of this court.

Therefore, Plaintiffs' Motion for Summary Judgment on Plaintiffs' Claims and Defendant's Counterclaims (Dkt. 126) and Defendant's Motion for Summary Judgment (Dkt. 124) are GRANTED in part and DENIED in part. Specifically, summary judgment is GRANTED for Defendant RMP as to Plaintiffs' claims of quantum meruit, unjust enrichment, and fraudulent inducement and Plaintiffs shall take nothing by those claims. Further, summary judgment is GRANTED for Plaintiffs PaDRE Enterprises, Inc. and Newhouse for RMP's fraud counterclaim based on Newhouse's assurance that he had both federal and state licenses and Newhouse's representation that he would give up his part time employment to recruit farmers, and RMP shall take nothing by that claim. Further, RMP shall take nothing by any claims regarding an "unfaithful servant" as those claims have been previously dismissed.

Summary judgment is DENIED as to Plaintiffs' claims of breach of contract and promissory estoppel and RMP's breach of contract counterclaim and those claims shall proceed to trial, along with any applicable claim for damages and attorney's fees, except RMP shall be precluded from seeking any breach of contract damages for loss of crop-hail premiums as no fact issue has been shown as to those.

IT IS SO ORDERED.

SIGNED this the 2nd day of July, 2014.



RICHARD A. SCHELL
UNITED STATES DISTRICT JUDGE